REPORT OF THE COMMISSIONER OF INTERNAL

Amount Refunded. \$237,470-37 422,734-36 514,844-43 RECEIPTS FROM SPECIAL SOURCES.

Dividends and additions
to surplus. \$1.577.010 73 \$3.287.200 65 \$4.186.023 79
to surplus. \$1.577.010 73 \$3.287.200 65 \$4.186.023 79
Circulation. \$2.636.085 30 1,920.661 84 920,388 11
Dephatis. 780,723 52 2.043.241 08 2.029.635 83
Capital. \$20.387.46 18 2.029.635 83
Capital. \$20.387.46 374.074 11
During the year 1964 the tax upon dividends was three per centum. The tax upon circulation and deposits was increased for the last two years. The diminution of the receipts is due to the conversion of the State banks into national associations, which pay the tax upon their capital, circulation and deposits to the Treasurer of the United States.

RALEDOADS.

Dividends 1865. 1865. 1866.

Dividends 207.331 38 \$2.470.816 89 \$2.205.804 45

Interest on bonds 266.859 69 847.633 61 1.255,916 98

The law of June 30, 1866, first imposed a duty upon profits carried to the account of any fund, or used in the construction, and the receipts from that source are included in the dividends of 1855 and 1866. INSURANCE COMPANIES.

Dividends and additions to sirphia. 2645,395 17 \$764,635 38 767,231 19 Premiums and assessments. 363,582 42 961,592 93 1,168,722 43 The taxation of dividends of insurance companies during these three years was the same as that of the bucks. The tax upon the gross receipt of premiums and assessments was one per centum for the year 1854; afterwards, it was one end one half per centure.

EEVENUR STAMPS.

erded during the past year than in any one pre ARTICLES IN SCHEDULE A.

8000,080 35 | 1805 ... \$779,901 79

the annual list of May record the fiscal year the and increased the receipts of the fiscal year 1864. \$7,145,28c 71 | 1865. \$12,566,681 25 | 1866. \$1805,5743 32.

The increase of receipts in 1865 was due to the increased lasses of persons subject to charge under the act of 1864; to be increase of the license duty upon several kinds of lustiness, and to the reassessment of wholesale dealers under the same and to the reassessment of wholesale dealers under the same and to the reassessment of the South from which, prior

set. . \$60,994,135 Sh.

If the fiscal year 1864 were mainly from the an-i of 1863 upon the income of 1862. Receipts of the income of 1863, and those of 1866 largely

Of the collections in 1864 \$6.013.834 \$8 were from Incomes taxed at five per centum, \$7.530.950.77 at three per centum, and \$7.530.950.77 at three per centum, and \$7.530.930 at one and one-half per centum. Of these of 1865 \$601.941 \$9 were returned at ten per centum, \$2.537.39.55 at five per centum, \$0.607.386 \$96 at three per centum, and \$135.587.58 at one and one-half per centum. Of the receipts in the fiscal year 1860 \$28.570.850 \$28 were at five per centum, and \$34.501.122 \$7 at ten per centum.

I have endeavored to assertain the precise number of persons who were assessed for an income-tax in the annual list of 1866, but the assessors reparts, especially those of the Pacific slope and other remote districts, have not all been received.

The country is now divided into 240 collection districts. From 185 of them the desired returns have been received.

Of the \$89.533.450 it collected in the United States up to Nurember first—as reported to this office by the several collectors—\$3.479.525 for nearly \$7\$ per centum of the eatire amount, was assessed in these 185 districts; and of the persons who were assessed in these 185 districts; and of the persons who were assessed in these 185 districts; and of the persons who were assessed in these 185 districts; and of the persons who were assessed in these first 190.188 returned an income of less than \$1,000 : 162.512 of more than \$1,000 and not more than \$6,000 and \$1.000 of over \$5,000. These arms were all in excess of \$600 exempt by law from taxation. This ratio will be changed somewhat when the full returns are in, as a greater proportion of the largest incomes are acquired in the older states.

The whole amount received from the tax upon incomes since tates.

The whole amount received from the tax upon incomes since

the passage of the law of 1862 and including the collections during the present fiscal year, already reported to this office, is \$164,865,018 05. IRON AND STEEL IN THE VARIOUS FORMS WHICH ARE SPECIF-

the increase of duties upon those previously taxed.

**REFINED PETHOLEUM AND COAL OIL.

1864 . \$2.25, 328 89 1885 . \$1.047,212 77

1866 . \$3.317,256 05.

CIOARS AND CHEROOTS. \$3.072,476 56

1864 . \$1.255,428 79 1885 . \$3.072,476 56

1866 . \$1.474,438 94.

CHEWING AND SMOKING TORRACCO.

1864 . \$7.080,684 74 | 1865 . \$8.017,020 63

1865 . \$7.080,684 74 | 1865 . \$8.017,020 63

1866 . \$7.080,684 74 | 1865 . \$8.017,020 63

1866 . \$1.000,000 pounds were returned in June, to avoid the additional duty under the new law then shortly to take effect; that of 1865 was 36,639,020 pounds, and that of 1866 . \$3.748,531 pounds.

PERMENTED LIQUOUS.

was 36,639,020 pounds, and that of 1866 32,485,351 pounds.

PERMENTED LIQUOUS.

1864 \$2.22,715 73 | 1803 \$8,657,181 06

1866 \$5,222,715 73 | 1803 \$8,657,181 06

During the year 1865—66 the tax was one dollar per barrel. The collections for ten mooths of the year 1866 eams both from increased consumption and from improved thoroughness in the operation of the law.

DISTILLED SPIRITS.

1864 \$1,507 83 | 1865 \$15,995,701 66

In 1864 the tax was twenty cents per gallon, until March 7 of that year, when it was raised to sixty cents. From July 1, 1864, to January 1, 1865, it was one dollar and fifty cents, and afterward two dollars.

Much of the consumption of 1865 was of spirits distilled in previous years, in anticipation of increased tax. The receipts during the several months of the last fiscal year were as follows:

\$359,952 15, January......\$3,753,393 91 August 267,457 88 February 5.655,700 47
September 755,662 06 March 2,951,343 44
October 1,366,925 23 April 3,060,176 27
November 3,067,165 80 May 3,056,650
December 3,763,259 71 June 3,144,186 34

During the current fiscal year the receipts were in:
July 63,015,568 30
August 2,567,645 50
September 3,054,927 50
September 3,054,927 50

adderable increase in the monthly receipts from spirits, arising undestitedly, from the fact that the stock which had accumulated in the hand of dealers has been commed; that the demand is now, therefore, for production which pays duty, and that the new law has advantages which were wanting in the old one.

EXPENSE OF COLLECTING THE REVENUE. The different ways to which accounts of the various internal revenue officers are adjusted and paid make it impossible to give a perfectly accounts estatement of the expense of assembling and collecting the revenue for the year 1800.

From an examination of the allowances made to the disbure

"The discrepancy between these amounts and those reported from the office of the Secretary of the Treasery arises from the fact that the same receipts are not always entered upon the looks of the two offices no the same day. Similar discrepancies from the same cause will be noticed elements.

INTERNAL REVENUE AND POST-OFFICE ing officers, &c., the expenses of the past fiscal year appear to

2,535,703 03 1,830,849 47 3,093,597 24 1,506,546 68 1,585,377 19 1,585,002 89 51,233 71

129,546 49 945,968 75 16,653 88 104,345 60

1,649,561 59 1,963,053 79 2,045,931 89 502,770 44 481,045 79

and productions not above enumer-ated....

will not be continued, however, and the receipts for the last three quarters of the present fiscal year will not equal by several millions of dollars the collections for the same time last year. From a cureful consideration of all the facts in my possession, however, I believe that the receipts of the fiscal year 1857 will reach the sam of two hundred and eighty five millions of dollars, (\$285,000.000).

yant 1867 will reach the sam of two hundred and eighty five millions of dollars, (1885,000 1809).

CONCERNING CHANGES OF THE LAW.

The Commission after remarking on the care required in making changes in the law and the difficulties which changes give rise to, recommends that the returns of the annual list be made at an earlier date. The amount of one's income, except in cases where regular books of account are kept, can ordinarily be more accurately determined nearer the close of the year during which it accrued. Many tax-payers, including a large majority of those engaged in agricultural pursuits, have more leisure at that time for the preparation of their returns; while many residents of cities, and indeed of the warmer pertion of the country generally, desire to leave their districts for purposes of business or pleasure before the annual lists under the precent law can pass to the collector from the hands of the assessor. In such cases no little amovance and complaint have arised, which the utmost vigilance of the revenue officers could not fully avoid.

assessor. In such cases no little annoyance and complaint have arisen, which the utmost vigitance of the revenue ofhers could not fally avoid.

The special tax is payable on the 1st of May, on or before which time the party subject to it is required to register his name, cailing, &c., with the assistant assessor of his assessment district. The assistant assessor has afterward to make his certificate to the assessor and collector, and the collector usually swaits the annual list from the assessor before commencing his collections. Yet the law provides that any one who shall carry on any husiness, or do any act mentioned in the statute for the doing of which a special tax is imposed, without payment thereof, or without producing his receipt for such payment thereof, or without producing his receipt for such payment when called upon by any internal revenue officer, shall for every such offense, beside being linble to the payment of the tax, be subject to imprisonment or fine. Peddlers too, engaged in business without payment of this tax and producing such receipt, are liable to the forfeiture of all the property which they asso or employ. It is not known that hardship has arrisen by the too rigorous enforcement of the law, but wrong is liable to result, or the revenue he defrauded, by the exercise of clemency to those inclined to attempt to violate it altogether, because its precise requirements cannot be regarded. The law should not make its constant violation a necessity. I recommend, therefore, that returns for the annual list, including the registry for the special tax, be required on the first Monday of March in each year, and the tax be made payable on the 30th day of April following.

He also recommends the reduction of the 10 per cent pendictions.

following.

He also recommends the reduction of the 10 per cent penalties to 5 per cent, believing that a penalty of 5 per centum for
neglect or refusal, and interest at the rate of 10 per centum per
anum from the time the tax is payable, will be amply sufficient, while from its greater equity it will occasion less com-

annum from the time the tax is payable, will be amply sufficient, while from its greater equity it will occasion less complaint.

The special tax of the act of July 13, 1866, is a substitute for the license tax of the act of July 13, 1866, is a substitute for the license tax of the act of July 13, 1866, is a substitute for the license tax of the act of July 13, 1866, is a substitute for the license tax of the act of July 13, 1866, is a substitute for the license tax of the act of July 13, 1866, is a substitute for the license tax of the act of July 13, 1866, is a substitute for the license tax of the act of July 24, 1866, is a substitute for the license tax of the substitute for the license for failure to make a monthly return of manufactures.

I recommend that the imprisonment, except for violation by return of manufactures.

I recommend that the imprisonment except for violation by distillers, rectiliers, and manufacturers of to haceo, smiff and cigars, and dealers in liquors, be abolished, and that the minimum fine for failure or evasion of payment of such at \$100 Mith this change, rediffers, and manufacturers of to haceo, smiff and cigars, and dealers in liquors, be abolished, and that the minimum fine for failure or evasion of payment of special tax. I recommend the addition of fruits, vegetable, pies cakes, and confectionery when sold by persons on foot, thus protecting many poor women and children striving to carn a livelihood, and who, in numerous instances, have been subject to anxiety and cost.

Wholesale And Ritall Dealers in Liquores—The law of 1862 discriminated between wholesale and retail dealers in liquor by the quantity of single sales. A sale of three gallons or more at one time constituted a person a wholesale dealer. The present statute provides an addition of \$75. It

reased.
PLUMBERS AND GAS-FITTERS.—These persons now pay \$10

only, the same amount which is paid by retail dealers. I see no reason why they should not be taxed upon their sales as dealers are taxed, and as wholesale dealers when their annual sales exceed \$25,000. Equality of taxation is greatly desired in revenue laws.

The proper and equal compensation of Assistant Assessors.

excess of pastage collected in the United States upon the condence exchanged with Great Britain and the con-of Europe, was \$500.27 7a; causing balances against ited States on extlement of the international postage is, amounting in the aggregate to \$278.714 10. For full

The control will be specified to secure the control will be specified to the control will be specif

the Sandwich Islands does not, in my judgment, admit of res

reopened during the year.

umber of offices subject to appointment by the Presi

Nov. 1. FREE DELIVERY SYSTEM. The free delivery system is in operation in forty-six of the principal cities. The number of carriers employed was 863, at an aggregate compensation of \$589.236 41.

DEAD LETTERS.

The whole number of dead letters received, examined, and disposed of during the year, was about 4,500,000, upward of 49, per cent of which were from forty-seven of the larger post-offices. About 600,000 other letters were received being unmaliable for want of prepayment of postage, or on account of misdirection or illegible address.

mailable for want of prepayment of postage, or on account of mistirection or illegible address.

Money and office valuable Letters.

During the year there were registered and remailed to the respective owners, as inclosing money in sums of \$1 and upward, 32.814 letters, containing an aggregate of \$244.589 99, of which number 27,948, containing \$221.066 19, were delivered, being 99 per cent. The number of letters inclosing sums of money less than \$1, remailed to the respective owners, was 13.834, containing an aggregate amount of \$3.652 25. Of these, 11.175, containing \$3,001 23, were delivered. The number of letters containing papers of value other than money, as deeds, bills of exchange, drafts, checks, &c., received, and the nominal value of the inclosures therein was \$7,825, and the nominal value of their inclosures therein was \$7,825, being

About 2,500,000 dead letters have been destroyed during the rear. Of these upward of 60 per cent were ordinary business circulars, advertisements of lottery and grif enterprises, notices of corporate accivities, and tradesments bills, the remainder being composed of letters not signed, or so written as to be us-

An investigation into the cause of the non-delivery of te confirms the statement made in the last report, that is fourths of the whole number fail to reach the parties addre-through faults of the writers, and it has been ascertained the proportion of letters failly addressed returned from a where the free delivery is established is less than 3 per From some of these offices returns have been receive which not a single letter so addressed appears without a factory reason for the non-delivery. From 40 to 50 per ed-ded letters are returned from these offices, and it thus ap-

NUMBER OF ORDERS ISSUED AND PAID. The number of orders issued during the year was

243,609, of the value of

| 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200

The cost of Public Printing, is not included in the foregoing statement of expenditures.

The present charge or fee established by law for an order of
twenty dollars, twenty-five cents, and for an order exceeding
twenty dollars, twenty-five cents. These rates are defective in
this respect, that an applicant who desires to remit any simmiler forty dollars could do it more cheaply by two orders than
by one insimuch as two orders for twenty dollars each would
cost him but twenty cents, while for a single order of forty dolars he would have to pay twenty-five cents. The manifest
tendency of this state of things is to angment unnecessarily
the number of orders issued, involving a waste of time and of
clerical labor at both the issuing and paying offices, as well as
increasing the hability to error. The adoption of an additional
rate of fifteen cents for all orders of more than ten, but not exceeding thirty dollars, without any change of the present feet
for orders of ten deliars or less, or for orders exceeding thirty
dollars, would remely the defect in question and promote expedition and accuracy in the transaction of the business.

At some post-offices, particularly those located at centers of
trade and commerce, the number of orders paid very greatly exceeds the number issued, so that the payment of orders constitures the chief business of these offices; and as the postmaster's
companation for paying orders, being one-sighth of one per
cent on the amount thereof, is much less than for issuing them,
for which he receives one-third of the fees, it is recommended
that the commission for paying orders be increased from onesighth to one-fourth of one per cent, so as to afford postmasters
at such offices a compensation proportionate to their services.

In case of the loss of a money order, the owner, in order to
dain a deplicate thereof, is required "to furnish a statement
under oath or affirmation," serting forth the loss or destruction
of the original, together with a certains office, by
whom it was p

payment of his money by means of a deplicate without a secondary.

During the last fiscal year five cases have occurred of the payment of orders to persons who had forged the signatures of the payees. These persons had previously, through lack of precantion or injudicatous confidence of the remitter or payee, been past in possession of all the information required to obtain payment of the order. To forge or counterfoit a money order is made a penal offense by the act of May 17, 1864, but there is no provision of law to punish the forgery of the payee's signature, and as the latter crime is liable to be often repeated, especially at the large offices, there is a necessity for additional legislation to provide an adequate punishment for it, as well as for any attempt to obtain payment of a money order by fraudulent means. Respectfully submitted:

Respectfully submitted:

The PRESIDENT.

CARDS.

To the Editor of The N. Y. Tribune.

SIR: An unfavorable report having been made is your paper of the 13th of November, that I had been arrested and committed to the County Jall on the charge of highway robbery, I wish to state that I am inneent of the charge. I have been as-raigred and piead not guilty, and shall establish my inneence at my trial. I ask this as a matter of justice to myself and my friends; and every man should be considered inneest until he is proved guilty. By inserting this statement you will do me an act of justice, and oblige yours, &c., RICHARD LEWIS. To the Editor of The N. Y. Tribune.

To the Editor of The N. T. Tribune.

SIR: Exruestly, respectfully I ask the people of SIR: Exruestly, respectfully II ask the people of New-York to suspend for the present their judgment as regards myself. Having been denied all opportunity for my personal self-defense by the ruling of the Court in the smit just ended, decision reserved, between my father. Levi Eastman, and Mr. Eushnell. I shall avail myself of the first opportunity to make my vindication complete before you.

Shith J. Eastman.

OSWEGO, Dec. 3.—The schooner M. Bellard, lades with wheat was wrecked on Calve Island, Lake lades with wheat was wrecked on Calve Island, Lake lades with wheat friday norsing. The captain sind crew of 11 mea were drowned. Three of the bodies were recovered and were

The PRESIDENT

MARINE DISASTER-LOSS OF LIFE.

MENTS.

The number of Congressional and official papers returned to the proper departments was 17,806.

The number of letters inclosing soldiers' discharges and other military papers sent to the Adjutant General's Office, 4.e., was 8,918.

MUMBER OF OFFICER ESTABLISHED.

Imber of money-order offices now in operation
more than as the date of the last annual repor
have recently been taken to establish 67 addthe Paoline States and Territories.